STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
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ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

- 1. Report Time Period: From (mo./yr.) 1/99 To (mo./yr.) 12/99
- 2. DOGM File Number (Mine No.): M/045/004
- 3. Mine Name: Pine Canyon Reclamation Project
- 4. Mineral(s) Mined (or permitted to mine): Copper and associated metals.
- 5. Type of mine: ___Surface Mine or X_Underground Mine
- 6. Legal Description, (Location of Lands Affected):

Section 17, S1/2, SW1/4;

Section 20, N1/2 NW1/4, W1/2 NE1/4, SE1/4 NE1/4, E1/2 SE1/4;

Section 21, SW1/4 SW1/4;

Section 28, W1/2 NW1/4;

Section 29, NE1/4 NE1/4;

Township 3 South, Range 3 West, Salt Lake Baseline and Meridian, Tooele County, Utah.

7. Name of Operator or Company: Kennecott Utah Copper Corporation (KUCC)

8. Permanent Street Address:

P. O. Box 6001

City, State, Zip:

8315 W. 3595 South

Magna, UT 84044

Phone:

(801) 252-3257

Fax:

(801)252-3125

9. Company Representative (or designated operator):

Name:

Paula Doughty

Title:

Manager, Environmental Compliance

Business Address:

P.O. Box 6001

City, State, Zip:

Magna, UT 84044

Phone:

(801) 252-3257

Fax:

(801) 252-3125

_ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

- 1. Was the mine active during the past year? Yes $\underline{\hspace{0.1cm}}$ No $\underline{\hspace{0.1cm}}$
- 2. If no what was the last year of activity?

KUCC purchased the inactive property from Anaconda Minerals Co. in 1985.

3. If yes - how much ore or mineral was mined?

No ore was mined in 1999.

4. Briefly describe the type of work performed, volume of material moved, and any new or additional surface disturbances that occurred during the year.

The entrance to the Carr Fork Service Shaft was cleared to allow a pump to be installed. Water is currently being pumped out of the shaft and is then piped through the Pine Canyon/Parvenu tunnel to the Bingham Canyon Mine where it is discharged to established water collection systems there. The water is being removed as part of the general pit dewatering program at the Bingham Canyon Mine. Less than one acre was disturbed during the installation of the pump and piping. The disturbance is located in the upper canyon in an area that is covered by the existing reclamation bond.

5. How much additional acreage was disturbed during the past year?

Less than one acre.

6. How much acreage was reclaimed during the past year?

No reclamation took place in 1999.

7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.

No new reclamation took place in 1999.

8. What is the **total** disturbed acreage of entire project at years end?

Other than the small area disturbed in 1999, the only disturbed acreage left in Pine Canyon are those sites identified in the 1988 reclamation plan that were left for long term use in the canyon. These sites include the Pine Canyon tunnel portal and concrete flume, production shaft headframe, access road, the warehouse/shop, culinary water system, water supply wells, power line to the wells, fresh water tank and the waste rock pile adjacent to the headframe.

9. Briefly summarize any mining and/or reclamation plans for the upcoming year.

The small area disturbed in 1999 will be hydroseeded in 2000.

NOTE: Section III., "Additional Information" applies only to <u>large mining operations.</u>

III. Additional Information

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.

No map is attached because there have been no significant changes to the area since a map was submitted in 1998.

2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be submitted.

Water level data from the Carr Fork Service shaft which is part of the Pine Canyon underground workings is attached. Analytical results for water samples collected from the Carr Fork Service shaft are also attached.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print): Paula Doughty

Title of Operator: Manager, Environmental Compliance

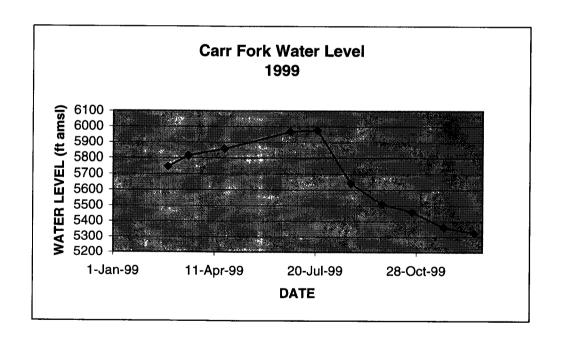
Signature of Operator: Paule Donglitz

Date: 1/28/00

CARR FORK WATER LEVEL 1999 MONTHLY SUMMARY

| DATE | TIME | WATER ELEV (ft) | |
|-----------|-------|--------------------|-----|
| | | | |
| 24-Feb-99 | 12:00 | 5746.39 | (1) |
| 16-Mar-99 | 12:00 | 5812.16 | (1) |
| 21-Apr-99 | 12:07 | 5856.47 | (1) |
| 25-Jun-99 | 11:45 | 5968.35 | (2) |
| 22-Jul-99 | 12:21 | 5975.20 | (2) |
| 24-Aug-99 | 12:00 | 5641.13 | (2) |
| 24-Sep-99 | 12:00 | 5508.96 | (2) |
| 24-Oct-99 | 12:00 | 5458.81 | (2) |
| 24-Nov-99 | 12:00 | 5361.99 | (2) |
| 24-Dec-99 | 12:00 | 5324.32 | (2) |

Note: (1) water level measured in Carr Fork Exhaust Shaft, Bingham Canyon (2) water level measured in Carr Fork Service Shaft, Pine Canyon



| | 13-Sep-99 | 06-Oct-99 | 24-Nov-99 | CFSrv Average |
|----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| Well Designation Sample type pH Conductivity TDS Chloride Sulfate Bicarbonate Carbonate Calcium Magnesium Sodium Potassium | CFSrvc Pumped 6.94 2620 2470 17 1700 264 < MDL 530 137 20 | CFSrvc Pumped 7.20 2440 2400 18 1670 265 < MDL 481 144 | CFSrvc Pumped 8.05 2568 2230 17 1430 261 < MDL 473 142 | 7.20 1760.25 1565.42 17.83 952.00 248.83 < CRDL 318.25 102.02 15.41 |
| Copper Iron | 4.2 0.026 | 4.3 < CRDL | 3.0 < CRDL | 3.65 0.02 |
| Manganese Zinc Aluminum Nickel Arsenic Lead Mercury Selenium Molybdenum | 12.9 3.2 2.15 0.016 < CRDL 0.08 < CRDL #N/A < CRDL < CRDL | 11.9 2.8 0.96 0.017 < CRDL 0.071 < CRDL #N/A < CRDL < CRDL | 9.46 2.36 0.49 0.007 < CRDL 0.075 < CRDL #N/A < CRDL | 8.47 1.52 0.66 #N/A 0.03 0.04 < CRDL #N/A |
| Cadmium Chromium Ion balance, % % Recovery of TDS KEL Sample ID | 0.001 < CRDL -6.18 108.08 AH23184 | < CHDL < CRDL < CRDL -9.71 108.16 AH24881 | < CRDL < CRDL < CRDL 1.65 104.74 AH29458 | 0.01 0.00 #N/A 1.26 105.09 |

Kennecott Utah Copper Corporation 8315 West 3595 South P.O. Box 6001 Magna, Utah 84044-6001

Tel: (801) 252-3257 Fax: (801) 252-3125

Paula H. Doughty

Manager, Environmental Compliance

m/045/004

Kennecott

January 31, 2000

Mr. Wayne Hedberg, Permit Supervisor Minerals Reclamation Program Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 RECEIVED

JAN 3 1 2000

DIVISION OF OIL, GAS AND MINING

RE: Annual Reports for 1999, Kennecott Utah Copper Corporation

Dear Mr. Hedberg:

Enclosed are the completed annual report forms for the following DOGM permits:

M/035/002 Bingham Pit and UCD Modernization,

M/035/011 4th Line/Copperton Concentrator,

M/035/015 North Impoundment,

M/045/004 Pine Canyon Reclamation Project.

As in last year's reports, all disturbed and reclaimed acreage on the existing tailings impoundment is reported under permit number M/035/002.

In addition to the reclamation activities documented in the attached reports, the following work was conducted by KUCC in the Oquirrh Mountains outside of the DOGM jurisdictional boundaries:

Refinery Area - 14 acres at Pond C - contaminated sludge removal, soil placement, recontouring

Smelter Area – 6 acres at Hazelton – contaminated soil removal recontouring

In 1999 KUCC spent more than 700,000 dollars on reclamation activities within the boundaries of permit #M/035/002. These costs included purchases of seed, fertilizer, mycorrhizae and seedlings, biosolids application and other surface preparation, seed application and planting. Excluded from these costs are such activities as contaminated soil removals, major recontouring efforts and soil emplacement that were paid for by individual construction and remediation projects. After correcting for inflation, this equates to more than \$250,000 spent in 1978 dollars. This is well in excess of the \$50,000 annual expenditure required by permit #M/035/002.

If you have any questions about these annual reports, please contact Rich Borden at 569-6208.

Sincerely,

Paule H. Doughty

Manager, Environmental Compliance

Enclosures